



DONALD L. WOLFE, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE

REFER TO FILE: **WR-4**

November 17, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**WEST COAST BASIN BARRIER PROJECT HYDROELECTRIC PLANT
AMENDMENT 2 TO AGREEMENT 68552
SUPERVISORIAL DISTRICT 4
3 VOTES**

**IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY
OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

1. Approve Amendment 2 to the existing Agreement 68552 with the West Basin Municipal Water District (Water District) to remove a restriction on the use of the \$2.54 million in funds from Water District to the Los Angeles County Flood Control District (LACFCD) to compensate for hydroelectric revenue losses at the West Coast Basin Barrier Project.
2. Instruct the Chair to sign the amendment to the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

With reclaimed water supplying half of the injection water for the West Coast Basin Barrier Project, both the LACFCD and Water District agreed the hydroelectric plant could not be economically operated and should be decommissioned. On August 22, 1995, Water District and the LACFCD entered into Agreement 68522, which provided that Water District would compensate the LACFCD for revenue losses associated with

decommissioning the hydroelectric plant such that the LACFCD would still receive \$3.6 million in net revenue.

The Agreement was first amended by the parties on August 18, 1998, (Amendment 1) to allow for the Water District to adjust the hydroelectric revenue losses to \$3.1 million and for the reimbursement to be made by providing in-kind services in the form of engineering and technical services, facility construction, contract well maintenance, and in particular a telemetry system installation. Since the Water District has already provided \$0.56 million in the above described services, \$2.54 million remain available to the LACFCD for additional services.

The proposed Amendment 2 is intended to remove the restriction that LACFCD use the remaining \$2.54 million of reimbursed funds for telemetry system installation. This amendment will help Public Works maximize the benefit of the reimbursement funds such that the remaining funds can be used for higher priority projects such as repair of damaged barrier wells and appurtenances.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Service Excellence since approval of this contract amendment will allow for reimbursable funds to be used on other higher priority seawater barrier projects and provide improved infrastructure to better serve the public.

FISCAL IMPACT/FINANCING

None.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Amendment 2 to Agreement 68552 has been reviewed and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

A finding of environmental impact is not required for approving the amendment to the Agreement. Any project that may be proposed as a result of this amendment will undergo the appropriate environmental review.

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CONTRACTING PROCESS

Any services provided by the Water District to Public Works will be administered by us in accordance with the County procurement policy and procedures. Payment for the agreed-upon services will be made by the Water District after contractor invoices are reviewed and approved by Public Works.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Projects undertaken by this amendment will enable the barrier project to better protect coastal groundwater supplies from seawater intrusion at a reduced cost to Public Works.

CONCLUSION

We are enclosing two originals and one copy of the amendment to the Agreement. Please have the Chair sign the two originals and one copy and return one approved copy of this letter to Public Works along with one executed copy and one executed original of the amendment for our files and forwarding to the Water District. The other executed original amendment should be retained for your files.

Respectfully submitted,

DONALD L. WOLFE
Director of Public Works

YS:yg

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Enc.

cc: Chief Administrative Office
County Counsel

**AMENDMENT NO. 2 TO AGREEMENT NO. 68552
BETWEEN
THE COUNTY OF LOS ANGELES
AND
WEST BASIN MUNICIPAL WATER DISTRICT**

The County of Los Angeles, acting on behalf of the Los Angeles County Flood Control District, herein "Flood Control", and the West Basin Municipal Water District, herein "District", hereby agree to amend Agreement No. 68552, originally entered into on August 22, 1995, and subsequently amended on August 18, 1998, as follows:

1. Delete Section II, Item 4, in its entirety, and replace it to read as follows:

"Flood Control, in coordination with the District, terminated the Hydroelectric Project effective June 30, 1998, since the increased flow of WRP water to the Barrier Project reduced the amount of Metropolitan Water District flow to a level insufficient to operate the Hydroelectric Project. Flood Control and the District agreed that modification of the Hydroelectric Plant was not cost effective. The District agreed to make Flood Control 'whole' with regard to all hydroelectric revenue losses such that Flood Control achieves \$3.6 million in net revenue from the Hydroelectric Plant.

District and Flood Control agreed that District's payoff would not exceed five years and would be in the form of engineering consultant work, facility construction, technical, or contract well maintenance services. These services were to include, but would not be limited to, installation of well and facility monitoring telemetry associated with the West Coast Barrier Project.

As of July 2003, District provided \$0.56 million in the above-described services to Flood Control and Flood Control received \$0.5 million in hydroelectric revenues. In July 2003, District paid Flood Control \$2.54 million to complete payment on its \$3.6 million obligation to Flood Control. The parties agree that this \$2.54 million can be spent by Flood Control on engineering consultant work, facility construction, technical services, or contract well maintenance services for the seawater barriers and need not be expended to install telemetry systems associated with the West Coast Basin Barrier Project. It is anticipated that the majority of the funds will be spent on the West Coast Barrier and Dominguez Gap Barrier Projects.

The parties agree that any service provided by the District to Flood Control will be administered by Flood Control in accordance with

the County standard procurement policy and procedure. Payment for the agreed upon services will be made by the District after contractor invoices are reviewed and approved by Flood Control.

2. Delete Section IV, Item 2, in its entirety, and replace it to read as follows:

"Notices and communications under this agreement shall be effective upon receipt by the other party and shall be addressed to the contracting parties as follows:

Rich Nagel and Art Aguilar, Co-General Manager
West Basin Municipal Water District
17140 S. Avalon Boulevard, Suite 210
Carson, California 90746-1296

Mr. Rod H. Kubomoto
County of Los Angeles Department of Public Works
Water Resources Division
900 South Fremont Avenue, second floor
Alhambra, California 91803-1331

Except as modified herein, the August 22, 1995, Agreement No. 68552 remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed this amendment to Agreement No. 68552 as of the day and year first above written.

COUNTY OF LOS ANGELES,
acting on behalf of the Los Angeles
County Flood Control District

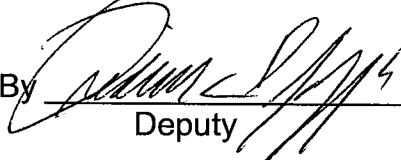
By _____
Chair, Board of Supervisors

ATTEST:
VIOLET VARONA-LUKENS
Executive Officer of the
Board of Supervisors of
the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By  _____
Deputy

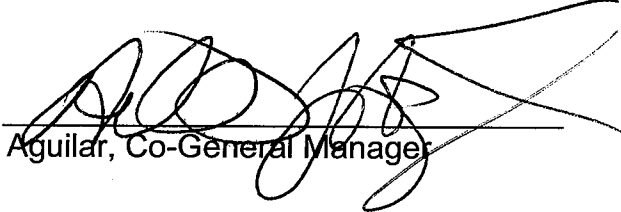
AGREED:

WEST BASIN MUNICIPAL WATER DISTRICT

DATED: 9/27, 2005

By  _____
Rich Nagel, Co-General Manager

DATED: 9/26, 2005

By  _____
Art Aguilar, Co-General Manager

YS:jac